



Why Shopify Stock Jumped 10% on Wednesday

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) rallied 10% on Wednesday after the markets seemed to be in recovery mode after hitting lows this week.

What happened?

Tech stocks, Shopify stock included, climbed on Wednesday in reaction to better trading in the Asia-Pacific sector. China in particular saw the strongest rebound on the market after heavy losses, the biggest recovery since 2008. Other e-commerce companies across the ocean also jumped, including **Alibaba** by about 27%.

This led investors to seek out their own e-commerce growth, including Shopify stock. Shares of the tech [giant](#) fell to 52-week lows this month, down to \$654. Since then, shares have made over \$100, back at \$761 as of writing. That's growth of 16% in just a few days.

So what?

More positive news could be coming out soon, with the United States Federal Reserve also set to announce its latest interest rate decision. This would be the first hike since 2018 and could affect the e-commerce industry and Shopify stock. Canada had a similar reaction to its interest rate hike recently.

It's this combination of support between the United States and China that saw a rebound in stocks, including Shopify stock. The U.S. would support U.S.-listed Chinese stocks overseas, helping keep the country's economy and markets stable. This is especially helpful, as the country goes through a [severe](#) outbreak in COVID-19. But that alone proves why investors should continue to seek out e-commerce companies.

Shopify stock saw insane growth during the beginning of the pandemic. While restrictions may be easing and vaccination rates are up, the pandemic is far from over. It's something we may just livewith, which means e-commerce will be growing for the long term.

Now what?

Shopify stock remains focused on long-term, stable growth. Sure, investors probably won't see triple-digit year-over-year growth in the future. But you'll see stable revenue from subscriptions and a solid business model supported by its own in-house payments, fulfillment centres, and more.

Shopify stock is still far off from its all-time high of \$2,228 per share. That would be a potential upside of 193% as of writing! Still, analysts predict share growth closer to around \$1,400 per share. That alone would also see a potential upside of 84% as of writing.

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1. Investing
2. Tech Stocks

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